



President Barack Obama on Wednesday denied a permit for the Keystone XL Pipeline, which would transport oil from Canada's tar sands to refineries on the Gulf Coast.

The president earlier had said he would not make a decision on the project until 2013, in order to allow time to review an alternate route that would avoid an environmentally sensitive area of Nebraska.

Legislation that extended the payroll tax cut, however, required him to make a decision on the project by Feb. 21.

Obama said "the rushed and arbitrary deadline insisted on by congressional Republicans prevented a full assessment of the pipeline's impact, especially the health and safety of the American people, as well as our environment."

As a result, he was forced to deny TransCanada Corp's application for a permit.

"This announcement is not a judgment on the merits of the pipeline," he added. "It does not change my administration's commitment to American-made energy that creates jobs and reduces our dependence on oil."

TransCanada, the company that wants to build the pipeline, could reapply for a permit using the alternate route through Nebraska.

Republicans and business groups blasted the president's decision to deny the pipeline permit and said they'd explore ways to overturn the decision.

"This decision is not based on the jobs and the energy that our country so desperately needs, but solely on a political calculation that he can't afford to offend his radical environmental base for his re-election," said U.S. Rep. Mike Coffman, a Colorado Republican.

"This is not the end of the fight," said House Speaker John Boehner, R-Ohio. "All options are on the table."

Jack Gerard, president of the American Petroleum Institute, said his organization "will review all options" to get the pipeline approved.

"We'll see if there's a way Congress can exercise leadership on a bipartisan basis to move this project forward," Gerard said. "We believe millions of Americans will be behind this effort. This project is essential to our nation's energy future."

Supporters contend the pipeline would create 20,000 construction jobs and more than 100,000 indirect jobs, and reduce U.S. dependence on oil from overseas. They also point out that the State Department has had more than three years to review the project.

Tom Donohue, president and CEO of the U.S. Chamber of Commerce, said Obama's denial of the pipeline permit "offers hard evidence that creating jobs is not a high priority for this administration."

Some labor unions also were upset about the decision.

"We are completely and totally disappointed," said Terry O'Sullivan, president of the Laborers' International Union of North America.

“Once again the president has sided with environmentalists instead of blue-collar construction workers — even though environmental concerns were more than adequately addressed. Blue-collar construction workers across the U.S. will not forget this.”

Environmentalists, however, were pleased.

“President Obama put the health and safety of the American people and our air, land and water — our national interest — above the interests of the oil industry,” said Frances Beinecke, president of the Natural Resources Defense Council.

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